

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SANDY HOOK WATER)	
DISTRICT OF ELLIOTT COUNTY, KENTUCKY, FOR)	
A CERTIFICATE OF PUBLIC CONVENIENCE AND)	
NECESSITY TO CONSTRUCT, FINANCE AND)	CASE NO. 92-229
INCREASE RATES PURSUANT TO THE PROVISIONS)	
OF SECTION 278.023 OF THE KENTUCKY REVISED)	
STATUTES)	

O R D E R

On May 29, 1992, Sandy Hook Water District ("Sandy Hook") filed an application for a Certificate of Public Convenience and Necessity to construct a \$70,000 waterworks construction project, for approval of its plan of financing for this project, and for adjustments to its water service rates. This project is a result of a cost overrun stemming from an application filed July 9, 1991 for a Certificate of Public Convenience and Necessity to construct a \$1,064,200 waterworks improvement project approved by the Commission on August 7, 1991 in Case No. 91-233.¹ Project funding is a \$70,000 loan from the Farmers Home Administration ("FmHA"). The loan will be for a 40-year period at an interest rate of 5 percent per annum.

¹ Case No. 91-233, The Application of Sandy Hook Water District of Elliott County, Kentucky for a Certificate of Public Convenience and Necessity to Construct and Finance a Project.

Sandy Hook's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water districts and FmHA and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on May 29, 1992, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Sandy Hook is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Sandy Hook's proposed plan of financing with FmHA is accepted.

3. Sandy Hook shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

4. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

5. Sandy Hook shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

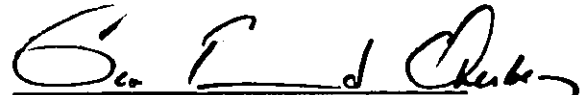
6. Sandy Hook shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 6(1),

Sandy Hook shall take immediate action to bring the system into compliance with Commission regulations.

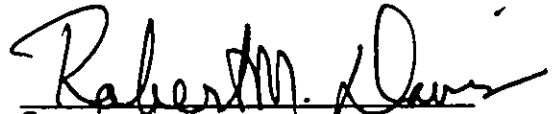
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 19th day of June, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director , Acting

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-229 DATED 6/19/92

The following rates and charges are prescribed for the customers in the area served by Sandy Hook Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Rates

First 2,000 gallons	\$11.28 Minimum Bill
Next 8,000 gallons	4.51 per 1,000 gallons
Next 10,000 gallons	3.41 per 1,000 gallons
Next 10,000 gallons	3.03 per 1,000 gallons
All Over 30,000 gallons	2.75 per 1,000 gallons